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An End to a Sweet Deal?

Big Sugar has long enjoyed political pull thanks to its hefty contributions, but may have made one too many enemies with its opposition to CAFTA.

You don't tug on Superman's cape, you don't spit into the wind, and you don't mess around with Big Sugar. That could have been the chorus to Jim Croce's song You Don't Mess Around With Jim. The sugar industry has been at least as big a bully as Jim, who by the end of the song receives his comeuppance.

Now maybe the sugar industry finally has made one too many enemies and is about to suffer a rare political setback. The Bush administration is blaming Big Sugar for Congress' lack of action in approving the Central American Free Trade Agreement, which the sugar industry sees as a threat to its protected status. Fellow food producers who would profit from the treaty have turned against their greedy counterpart. "Sugar is fighting to maintain its program to the detriment of the rest of agriculture," said Bob Stallman, president of the American Farm Bureau Federation.

Even an American candy legend is piling on. Ferrara Pan Co., the maker of Red Hots and Atomic Fireballs, blames high domestic sugar prices for factory relocations to Mexico and Canada. "It was sugar that forced us to move over the border," said chief executive Salvatore Ferrara.

While many agricultural crops enjoy subsidies, sugar producers have cut an especially lucrative deal for themselves. They get government loans, price supports and quotas on imported sugar, which keep the price of U.S. sugar artificially high. For example, Ferrara pays 15 cents a pound for sugar in Canada and Mexico but 27 cents a pound here.

An outsized portion of sugar's profit is plowed back into political contributions, which have so far silenced its detractors. But Big Sugar got itself in hot water with the Bush administration by opposing CAFTA, even though the treaty has domestic sugar protections written into it. Sugar imports from the Dominican Republic and Central America would be allowed to double, but that would represent a mere 1 percent of the nation's sugar consumption. Bullies don't tolerate any challenge, even from a 98-pound weakling.

Overall, CAFTA is a mixed bag for Americans. Farmers, particularly those in Florida (other than sugar growers) who get few or no subsidies, probably would lose more than they would gain, as would many manufacturers. Yet it is hard to see how CAFTA would do any real harm to the sugar industry. Rather, Big Sugar's overreaction could embolden those who have been under its thumb for so long. That would be, forgive the pun, sweet revenge.